

Kathleen Grillo
Vice President
Federal Regulatory



1300 I Street, NW, Suite 400 West
Washington, DC 20005

Phone 202 515-2533
Fax 202 336-7922
kathleen.m.grillo@verizon.com

May 3, 2005

EX PARTE

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

RE: In the Matter of Federal-State Joint Board on Universal Service,
CC Docket No. 96-45

Dear Ms. Dortch:

Yesterday, Katherine O'Hara, Edward Shakin and Kathleen Grillo of Verizon met with Narda Jones, Thomas Buckley, Warren Firschein, Greg Guice and Carol Pomponio of the Wireline Competition Bureau. The purpose of the meeting was to discuss the issues that will require resolution if the Commission revises the Universal Service contribution methodology from a revenue-based assessment to a telephone number-based assessment. In particular, we stated:

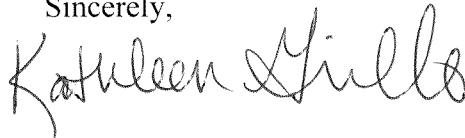
- any new system of contribution must allow companies to recover their costs from end users, which means that the only numbers assessed to a carrier should be those a customer of that carrier is actually using;
- as a result, modifications would be necessary to the current reporting system for telephone numbers in order to attribute numbers to the actual service provider and limit the count of numbers to those actually in use;
- the need to discount any assessment applied to wireless "Family Plan" services that provide additional handsets under the same calling plan;
- the possibility that other "limited use" services such as prepaid wireless calling card should receive a similar discount;

- the need to minimize rate shock to large business customers that purchase large blocks of numbers;
- that under a numbers-based system, services typically packaged with numbered services (including broadband connections) should not have to apply a separate additional assessment; and
- the importance of a sufficient transition period to allow both the Commission and regulated carriers to implement a numbers-based plan.

We also explained that to the extent the Commission were to retain aspects of the current revenue-based system, for example for retail interstate telecommunications services that are not typically sold in conjunction with a telephone number, adjustments are necessary to assure that regulated carriers do not have to contribute disproportionately more into the system based on the jurisdictional assignment of their special access services. Pursuant to Section 1.1206(b) of the Commission's rules, one electronic copy of this notice is being filed in the above-referenced proceeding.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kathleen Gills".

cc: Narda Jones
Thomas Buckley
Warren Firschein
Greg Guice
Carol Pomponio